Project under Netherlands Development Cooperative Programme Aid

7821. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a few projects under the Netherland Development Co-operation Programme aid are underway in some States including Karnataka on urban poverty alleviation and rural water supply and sanitation;

(b) whether a review of the project progress was made tn a Seminar held in Delhi in November, 1994 based on the Evaluation Report 1994 presented therein and whether the report contained observations to the effect that the project scope be curtailed; and

(c) whether the Centre would prevail upon the Netherlands Development Co-operation Programme authorities not to curtail the scope of project underway in Karnataka?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) An Evaluation Report 1994 was prepared on the Netherlands Development Cooperatton Programme with India 1980—92 by the Operations Review Unit of the Netherlands Ministry of Foreign Affairs. A seminar was held in October 94 to discuss some issues arising out of the Evaluation Report, which also formed a part of the ongoing bilateral policy discussions to decide on the strategy for the bilateral programme for the coming years.

The Evaluation report recommended, inter alia, that the scope of the overall project portfolio needs to be reconsidered to reflect the capability of the desk (Country Desk in the Netherlands) and the Embassy (Netherlands Embassy in India) to guide and monitor the preparation and implementation of projects. The report further stated that the quality of the project portfolio is likely to benefited in from concentration in fewer States and by replacement of numerous small project by a few large scale projects.

(c) The Government of India's position is to introduce more flexibility into the bilateral programme wtth a view to improving the absorptive capacity of the aid. Keeping in view the concerns of Government of India, it has been agreed not to curtail the scope of the ongoing externally aided projects in various states including Karnataka.

Assistance to small and tiny industries in Karnataka

7822. SHRI B. K. HARI PRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the fact that the Government of Karnataka has been implementing a programme called VISHWA for providing assistance to artisans small and tiny industrial units in rural areas and three Small Industries Development Bank of India (SIDBI) has been providing refinance for loans below Rupees 2.00 lakhs at reasonable rate of interest.

(b) whether the SIDBI has abruptly raised its refinance rates to this segment of beneficiaries since November, 1994, thereby threatening the viability of such small enterprises; and

(c) whether Govt. will intervene and save the VISHWA programme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) Yes, Sir. The Small Industries Development Bank of India (SIDBI) has reported that it revised the rate of interest on refinance of term loans upto Rs. 25,000/- from 9% to 11% per annum with effect from 25